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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

STORUS CORPORATION, a California
Corporation

Plaintiff,

v.

RESTORATION HARDWARE, INC. a
Delaware Corporation; AROA
MARKETING, INC., a California
Corporation, DBA GADGET UNIVERSE,
SKYMALL, INC. and DOES 1 through 20,
inclusive,

Defendants.

AROA MARKETING, INC.; AND
SKYMALL, INC.,

Counter-claimants,

vs.

STORUS CORPORATION, a California
corporation,

Counter-defendant.

Case No. C-06-2454 MMC

**STIPULATION AND ~~PROPOSED~~
PROTECTIVE ORDER REGARDING
CONFIDENTIAL INFORMATION**

1. PURPOSES AND LIMITATIONS

Disclosure and discovery activity in this action are likely to involve production of confidential, proprietary, or private information for which special protection from public disclosure and from use for any purpose other than prosecuting this litigation would be warranted. Accordingly, the parties hereby stipulate to and petition the court to enter the following Stipulated Protective Order. The parties acknowledge that this Order does not confer blanket protections on all disclosures or responses to discovery and that the protection it affords extends only to the limited information or items that are entitled under the applicable legal principles to treatment as confidential. The parties further acknowledge, as set forth in Section 10, below, that this Stipulated Protective Order creates no entitlement to file confidential information under seal; Civil Local Rule 79-5 sets forth the procedures that must be followed and reflects the standards that will be applied when a party seeks permission from the court to file material under seal.

2. DEFINITIONS

- 2.1. Party: any party to this action, including all of its officers, directors, employees, consultants, retained experts, and outside counsel (and their support staff).
- 2.2. Disclosure or Discovery Material: all items or information, regardless of the medium or manner generated, stored, or maintained (including, among other things, testimony, transcripts, or tangible things) that are produced or generated in disclosures or responses to discovery in this matter.
- 2.3. “Confidential” Information or Items: information (regardless of how generated, stored or maintained) or tangible things that qualify for protection under standards developed under F.R.Civ.P. 26(c).
- 2.4. “Highly Confidential – Attorneys’ Eyes Only” Information or Items: extremely sensitive “Confidential Information or Items” whose disclosure to another Party or nonparty would create a substantial risk of serious injury that could not be avoided by less restrictive means.

- 1 2.5. Receiving Party: a Party that receives Disclosure or Discovery Material from a Producing
2 Party.
- 3 2.6. Producing Party: a Party or non-party that produces Disclosure or Discovery Material in
4 this action.
- 5 2.7. Designating Party: a Party or non-party that designates information or items that it
6 produces in disclosures or in responses to discovery as “Confidential” or “Highly
7 Confidential — Attorneys’ Eyes Only.”
- 8 2.8. Protected Material: any Disclosure or Discovery Material that is designated as
9 “Confidential” or as “Highly Confidential – Attorneys’ Eyes Only.”
- 10 2.9. Outside Counsel: attorneys who are not employees of a Party but who are retained to
11 represent or advise a Party in this action.
- 12 2.10. House Counsel: attorneys who are employees of a Party.
- 13 2.11. Counsel (without qualifier): Outside Counsel and House Counsel (as well as their support
14 staffs).
- 15 2.12. Expert: a person with specialized knowledge or experience in a matter pertinent to the
16 litigation who has been retained by a Party or its counsel to serve as an expert witness or as
17 a consultant in this action and who is not a past or a current employee of a Party or of a
18 competitor of a Party’s and who, at the time of retention, is not anticipated to become an
19 employee of a Party or a competitor of a Party’s. This definition includes a professional
20 jury or trial consultant retained in connection with this litigation.
- 21 2.13. Professional Vendors: persons or entities that provide litigation support services (e.g.,
22 photocopying; videotaping; translating; preparing exhibits or demonstrations; organizing,
23 storing, retrieving data in any form or medium; etc.) and their employees and
24 subcontractors.

3. SCOPE

The protections conferred by this Stipulation and Order cover not only Protected Material (as defined above), but also any information copied or extracted therefrom, as well as all copies, excerpts, summaries, or compilations thereof, plus testimony, conversations, or presentations by parties or counsel to or in court or in other settings that might reveal Protected Material.

4. DURATION

Even after the termination of this litigation, the confidentiality obligations imposed by this Order shall remain in effect until a Designating Party agrees otherwise in writing or a court order otherwise directs.

5. DESIGNATING PROTECTED MATERIAL

5.1. Exercise of Restraint and Care in Designating Material for Protection. Each Party or non-party that designates information or items for protection under this Order must take care to limit any such designation to specific material that qualifies under the appropriate standards. A Designating Party must take care to designate for protection only those parts of material, documents, items, or oral or written communications that qualify – so that other portions of the material, documents, items, or communications for which protection is not warranted are not swept unjustifiably within the ambit of this Order.

Mass, indiscriminate, or routinized designations are prohibited. Designations that are shown to be clearly unjustified, or that have been made for an improper purpose (e.g., to unnecessarily encumber or retard the case development process, or to impose unnecessary expenses and burdens on other parties), expose the Designating Party to sanctions.

If it comes to a Party's or a non-party's attention that information or items that it designated for protection do not qualify for protection at all, or do not qualify for the level

1 of protection initially asserted, that Party or non-party must promptly notify all other
2 parties that it is withdrawing the mistaken designation.

3 5.2. Manner and Timing of Designations. Except as otherwise provided in this Order (see, e.g.,
4 second paragraph of section 5.2(a), below), or as otherwise stipulated or ordered, material
5 that qualifies for protection under this Order must be clearly so designated before the
6 material is disclosed or produced.

7
8 Designation in conformity with this Order requires:

9 (a) for information in documentary form (apart from transcripts of depositions or
10 other pretrial or trial proceedings), that the Producing Party affix the legend
11 “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY” at
12 the top of each page that contains protected material. If only a portion or portions of the
13 material on a page qualifies for protection, the Producing Party also must clearly identify
14 the protected portion(s) (e.g., by making appropriate markings in the margins) and must
15 specify, for each portion, the level of protection being asserted (either “CONFIDENTIAL”
16 or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY”).

17 A Party or non-party that makes original documents or materials available for
18 inspection need not designate them for protection until after the inspecting Party has
19 indicated which material it would like copied and produced. During the inspection and
20 before the designation, all of the material made available for inspection shall be deemed
21 “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.” After the inspecting Party
22 has identified the documents it wants copied and produced, the Producing Party must
23 determine which documents, or portions thereof, qualify for protection under this Order,
24 then, before producing the specified documents, the Producing Party must affix the
25 appropriate legend (“CONFIDENTIAL” or “HIGHLY CONFIDENTIAL –
26 ATTORNEYS’ EYES ONLY”) at the top of each page that contains Protected Material. If
27 only a portion or portions of the material on a page qualifies for protection, the Producing
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1 Party also must clearly identify the protected portion(s) (e.g., by making appropriate
2 markings in the margins) and must specify, for each portion, the level of protection being
3 asserted (either “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’
4 EYES ONLY”).

5 (b) for testimony given in deposition or in other pretrial or trial proceedings, that
6 the Party or non-party offering or sponsoring the testimony identify on the record, before
7 the close of the deposition, hearing, or other proceeding, all protected testimony, and
8 further specify any portions of the testimony that qualify as “HIGHLY CONFIDENTIAL
9 – ATTORNEYS’ EYES ONLY.” When it is impractical to identify separately each portion
10 of testimony that is entitled to protection, and when it appears that substantial portions of
11 the testimony may qualify for protection, the Party or non-party that sponsors, offers, or
12 gives the testimony may invoke on the record (before the deposition or proceeding is
13 concluded) a right to have up to 20 days to identify the specific portions of the testimony
14 as to which protection is sought and to specify the level of protection being asserted
15 (“CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY”).
16 Only those portions of the testimony that are appropriately designated for protection within
17 the 20 days shall be covered by the provisions of this Stipulated Protective Order.

18 Transcript pages containing Protected Material must be separately bound by the
19 court reporter, who must affix to the top of each such page the legend “CONFIDENTIAL”
20 or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY,” as instructed by the
21 Party or nonparty offering or sponsoring the witness or presenting the testimony.

22 (c) for information produced in some form other than documentary, and for any
23 other tangible items, that the Producing Party affix in a prominent place on the exterior of
24 the container or containers in which the information or item is stored the legend
25 “CONFIDENTIAL” or “HIGHLY CONFIDENTIAL – ATTORNEYS’ EYES ONLY.” If
26 only portions of the information or item warrant protection, the Producing Party, to the
27
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1 extent practicable, shall identify the protected portions, specifying whether they qualify as
2 “Confidential” or as “Highly Confidential – Attorneys’ Eyes Only.”

- 3 5.3. Inadvertent Failures to Designate. If timely corrected, an inadvertent failure to designate
4 qualified information or items as “Confidential” or “Highly Confidential – Attorneys’
5 Eyes Only” does not, standing alone, waive the Designating Party’s right to secure
6 protection under this Order for such material. If material is appropriately designated as
7 “Confidential” or “Highly Confidential – Attorneys’ Eyes Only” after the material was
8 initially produced, the Receiving Party, on timely notification of the designation, must
9 make reasonable efforts to assure that the material is treated in accordance with the
10 provisions of this Order.

11 12 **6. CHALLENGING CONFIDENTIALITY DESIGNATIONS**

- 13 6.1. Timing of Challenges. Unless a prompt challenge to a Designating Party’s confidentiality
14 designation is necessary to avoid foreseeable substantial unfairness, unnecessary
15 economic burdens, or a later significant disruption or delay of the litigation, a Party does
16 not waive its right to challenge a confidentiality designation by electing not to mount a
17 challenge promptly after the original designation is disclosed.
- 18 6.2. Meet and Confer. A Party that elects to initiate a challenge to a Designating Party’s
19 confidentiality designation must do so in good faith and must begin the process by
20 conferring directly (in voice to voice dialogue; other forms of communication are not
21 sufficient) with counsel for the Designating Party. In conferring, the challenging Party
22 must explain the basis for its belief that the confidentiality designation was not proper and
23 must give the Designating Party an opportunity to review the designated material, to
24 reconsider the circumstances, and, if no change in designation is offered, to explain the
25 basis for the chosen designation. A challenging Party may proceed to the next stage of the
26 challenge process only if it has engaged in this meet and confer process first.

6.3. Judicial Intervention. A Party that elects to press a challenge to a confidentiality designation after considering the justification offered by the Designating Party may file and serve a motion under Civil Local Rule 7 (and in compliance with Civil Local Rule 79-5, if applicable) that identifies the challenged material and sets forth in detail the basis for the challenge. Each such motion must be accompanied by a competent declaration that affirms that the movant has complied with the meet and confer requirements imposed in the preceding paragraph and that sets forth with specificity the justification for the confidentiality designation that was given by the Designating Party in the meet and confer dialogue.

The burden of persuasion in any such challenge proceeding shall be on the Designating Party. Until the court rules on the challenge, all parties shall continue to afford the material in question the level of protection to which it is entitled under the Producing Party's designation.

7. ACCESS TO AND USE OF PROTECTED MATERIAL

7.1. Basic Principles. A Receiving Party may use Protected Material that is disclosed or produced by another Party or by a non-party in connection with this case only for prosecuting, defending, or attempting to settle this litigation. Such Protected Material may be disclosed only to the categories of persons and under the conditions described in this Order. When the litigation has been terminated, a Receiving Party must comply with the provisions of section 11, below (FINAL DISPOSITION). Protected Material must be stored and maintained by a Receiving Party at a location and in a secure manner that ensures that access is limited to the persons authorized under this Order.

7.2. Disclosure of "CONFIDENTIAL" Information or Items. Unless otherwise ordered by the court or permitted in writing by the Designating Party, a Receiving Party may disclose any information or item designated CONFIDENTIAL only to:

1 (a) the Receiving Party's Outside Counsel of record in this action, as well as employees of
2 said Counsel to whom it is reasonably necessary to disclose the information for this litigation and
3 who have signed the "Agreement to Be Bound by Protective Order" that is attached hereto as
4 Exhibit A;

5 (b) the officers, directors, and employees (including House Counsel) of the Receiving
6 Party to whom disclosure is reasonably necessary for this litigation and who have signed the
7 "Agreement to Be Bound by Protective Order" (Exhibit A);

8 (c) experts (as defined in this Order) of the Receiving Party to whom disclosure is
9 reasonably necessary for this litigation and who have signed the "Agreement to Be Bound by
10 Protective Order" (Exhibit A);

11 (d) the Court and its personnel;

12 (e) court reporters, their staffs, and professional vendors to whom disclosure is reasonably
13 necessary for this litigation and who have signed the "Agreement to Be Bound by Protective
14 Order" (Exhibit A);

15 (f) during their depositions, witnesses in the action to whom disclosure is reasonably
16 necessary and who have signed the "Agreement to Be Bound by Protective Order" (Exhibit A).
17 Pages of transcribed deposition testimony or exhibits to depositions that reveal Protected Material
18 must be separately bound by the court reporter and may not be disclosed to anyone except as
19 permitted under this Stipulated Protective Order.

20 (g) the author of the document or the original source of the information.

21
22 7.3. Disclosure of "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY" Information or
23 Items. Unless otherwise ordered by the court or permitted in writing by the Designating
24 Party, a Receiving Party may disclose any information or item designated "HIGHLY
25 CONFIDENTIAL – ATTORNEYS' EYES ONLY" only to:

(a) the Receiving Party's Outside Counsel of record in this action, as well as employees of said Counsel to whom it is reasonably necessary to disclose the information for this litigation and who have signed the "Agreement to Be Bound by Protective Order" that is attached hereto as Exhibit A;

(b) Experts (as defined in this Order) (1) to whom disclosure is reasonably necessary for this litigation, (2) who have signed the "Agreement to Be Bound by Protective Order" (Exhibit A),

(c) the Court and its personnel;

(d) court reporters, their staffs, and professional vendors to whom disclosure is reasonably necessary for this litigation and who have signed the "Agreement to Be Bound by Protective Order" (Exhibit A); and

(e) the author of the document or the original source of the information.

8. PROTECTED MATERIAL SUBPOENAED OR ORDERED PRODUCED IN OTHER LITIGATION.

If a Receiving Party is served with a subpoena or an order issued in other litigation that would compel disclosure of any information or items designated in this action as "CONFIDENTIAL" or "HIGHLY CONFIDENTIAL – ATTORNEYS' EYES ONLY," the Receiving Party must so notify the Designating Party, in writing (by fax, if possible) immediately and in no event more than three court days after receiving the subpoena or order. Such notification must include a copy of the subpoena or court order.

The Receiving Party also must immediately inform in writing the Party who caused the subpoena or order to issue in the other litigation that some or all the material covered by the subpoena or order is the subject of this Protective Order. In addition, the Receiving Party must deliver a copy of this Stipulated Protective Order promptly to the Party in the other action that caused the subpoena or order to issue. The purpose of imposing these duties is to alert the interested parties to the existence of this Protective Order and to afford the Designating Party in this case an opportunity to try to protect its confidentiality interests in the court from which the

1 subpoena or order issued. The Designating Party shall bear the burdens and the expenses of
2 seeking protection in that court of its confidential material – and nothing in these provisions
3 should be construed as authorizing or encouraging a Receiving Party in this action to disobey a
4 lawful directive from another court.

5
6 **9. UNAUTHORIZED DISCLOSURE OF PROTECTED MATERIAL**

7 If a Receiving Party learns that, by inadvertence or otherwise, it has disclosed Protected
8 Material to any person or in any circumstance not authorized under this Stipulated Protective
9 Order, the Receiving Party must immediately (a) notify in writing the Designating Party of the
10 unauthorized disclosures, (b) use its best efforts to retrieve all copies of the Protected Material, (c)
11 inform the person or persons to whom unauthorized disclosures were made of all the terms of this
12 Order, and (d) request such person or persons to execute the “Acknowledgment and Agreement to
13 Be Bound” that is attached hereto as Exhibit A.

14
15 **10. FILING PROTECTED MATERIAL.** Without written permission from the Designating
16 Party or a court order secured after appropriate notice to all interested persons, a Party may not file
17 in the public record in this action any Protected Material. A Party that seeks to file under seal any
18 Protected Material must comply with Civil Local Rule 79-5.

19 **11. FINAL DISPOSITION.** Unless otherwise ordered or agreed in writing by the Producing
20 Party, within sixty days after the final termination of this action, each Receiving Party must return
21 all Protected Material to the Producing Party. As used in this subdivision, “all Protected Material”
22 includes all copies, abstracts, compilations, summaries or any other form of reproducing or
23 capturing any of the Protected Material. With permission in writing from the Designating Party,
24 the Receiving Party may destroy some or all of the Protected Material instead of returning it.
25 Whether the Protected Material is returned or destroyed, the Receiving Party must submit a
26 written certification to the Producing Party (and, if not the same person or entity, to the
27 Designating Party) by the sixty day deadline that identifies (by category, where appropriate) all the
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1 Protected Material that was returned or destroyed and that affirms that the Receiving Party has not
2 retained any copies, abstracts, compilations, summaries or other forms of reproducing or capturing
3 any of the Protected Material. Notwithstanding this provision, Counsel are entitled to retain an
4 archival copy of all pleadings, motion papers, transcripts, legal memoranda, correspondence or
5 attorney work product, even if such materials contain Protected Material. Any such archival copies
6 that contain or constitute Protected Material remain subject to this Protective Order as set forth in
7 Section 4 (DURATION), above.

12. MISCELLANEOUS

12.1. Right to Further Relief. Nothing in this Order abridges the right of any person to
seek its modification by the Court in the future. Right to Assert Other Objections. By
stipulating to the entry of this Protective Order no Party waives any right it otherwise
would have to object to disclosing or producing any information or item on any ground
not addressed in this Stipulated Protective Order. Similarly, no Party waives any right to
object on any ground to use in evidence of any of the material covered by this Protective
Order.

1 IT IS SO STIPULATED, THROUGH COUNSEL OF RECORD.

2
3 Dated: March 5, 2007

By: /ylr/

4 Yano L. Rubinstein, Esq.
5 Rubinstein Law Group
6 A Professional Law Corporation
7 Attorneys for Plaintiff
8 Storus Corporation

9 Dated: February 21, 2007

By: 

10 Robert Lauson, Esq.
11 Attorneys for Defendants
12 AROA Marketing, Inc.;
13 Skymall, Inc.

14
15
16 **ORDER**

17 Good cause appearing therefore, IT IS HEREBY ORDERED that the foregoing
18 Stipulation regarding confidentiality is deemed an order of this Court and shall be entered
19 accordingly.

20
21 IT IS SO ORDERED.

22 Dated: March 8, 2007


23 UNITED STATES DISTRICT JUDGE

EXHIBIT A

ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

I, _____, of _____
_____ [full address], declare under penalty of
perjury that I have read in its entirety and understand the Stipulated Protective Order that was
issued by the United States District Court for the Northern District of California on
_____ in the case of STORUS CORPORATION, a California Corporation v.
RESTORATION HARDWARE, INC. a Delaware Corporation; Case No. C-06-2454 MMC. I
agree to comply with and to be bound by all the terms of this Stipulated Protective Order and I
understand and acknowledge that failure to so comply could expose me to sanctions and
punishment in the nature of contempt. I solemnly promise that I will not disclose in any manner
any information or item that is subject to this Stipulated Protective Order to any person or entity
except in strict compliance with the provisions of this Order. I further agree to submit to the
jurisdiction of the United States District Court for the Northern District of California for the
purpose of enforcing the terms of this Stipulated Protective Order, even if such enforcement
proceedings occur after termination of this action.

I hereby appoint _____ [print or type full name] of
_____ [print or type full address and telephone number]
as my California agent for service of process in connection with this action or any proceedings
related to enforcement of this Stipulated Protective Order.

Date: _____

City and State where sworn and signed: _____

Printed name: _____

Signature: _____